
Program Memorandum Intermediaries/Carriers

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal AB-01-06

Date: JANUARY 18, 2001

CHANGE REQUEST 1505

SUBJECT: Replacement of Prosthetic Devices and Parts

The Benefits Improvement and Protection Act of 2000 amended §1834(h)(1) of the Social Security Act by adding a provision (1834 (h)(1)(G)(i)) that requires Medicare payment to be made for the replacement of prosthetic devices which are artificial limbs, or for the replacement of any part of such devices, without regard to continuous use or useful lifetime restrictions if an ordering physician determines that the replacement device, or replacement part of such a device, is necessary.

Payment may be made for the replacement of a prosthetic device which is an artificial limb, or replacement part of a device if the ordering physician determines that the replacement device or part is necessary because of any of the following:

1. A change in the physiological condition of the patient;
2. An irreparable change in the condition of the device, or in a part of the device; or
3. The condition of the device, or the part of the device, requires repairs and the cost of such repairs would be more than 60 percent of the cost of a replacement device, or, as the case may be, of the part being replaced.

This provision supersedes any rule that as of the date of enactment of this Act, may have applied to a 5-year replacement rule with regard to prosthetic devices. In addition, this provision shall apply to items replaced on or after April 1, 2001.

The *effective date* for this Program Memorandum (PM) is April 1, 2001.

The *implementation date* for this PM is April 1, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after April 1, 2002.

If you have any questions, contact Lynn Riley at (410) 786-1286.